March 27, 2020

Bruce Van Saun
Chairman & CEO
Citizens Financial Group
1 Citizens Plaza
Providence, RI 02903

Dear Mr. Van Saun,

On behalf of the millions of Americans who owe approximately $130 billion in outstanding private student debt, we are writing to urge you to take bold action to address the risk of consumer harm in the student loan market stemming from the global coronavirus pandemic.

The public health and economic effects of the outbreak of the coronavirus are already widespread, upending daily life for millions of Americans, causing untold job displacement, and inching the U.S. into its first recession in more than a decade. These public health and economic disruptions will continue to pose unique problems for private student loan borrowers, who lack the affordable repayment alternatives and other protections afforded to federal student loan borrowers.[1] The CFPB recently reported that 90 percent of complaints from private student loan borrowers concerned struggles to afford their payments or poor customer service from lenders and servicers.[2] Absent immediate action, private student loan borrowers will be forced to bear the brunt of the ongoing economic turmoil.

To ensure that student loan borrowers remain protected from the fallout of the coronavirus pandemic, we urge you to immediately take the following steps:

- **Allow borrowers to cease payments without fees or penalties.** Private student loan borrowers are often denied deferments, forbearance, or periods of reduced loan payments during times of financial hardship.[3] When these benefits are available, borrowers may be required to pay a fee to utilize them. Therefore, a borrower whose work hours have been suddenly cut, who faces unforeseen costs of child care, or who now has to care for an ailing family member could either lack a path to relief or be charged a fee to access relief precisely when they are least able to shoulder that burden. In the face of the coronavirus pandemic, it is absolutely necessary that these borrowers

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be given immediate opportunities to cease payments without fees, restrictions, or consequences for their credit. Lenders should make enrollment in payment cessation programs automatic for delinquent borrowers, ensure that interest does not accrue or capitalize, and prepare to guide these borrowers toward affordable repayment modifications to get them back on track after the pandemic subsides.

- **Ensure that a cessation of payments does not trigger cosigner requirements or penalties.** Available data indicate that as many as 93 percent of outstanding private student loans to undergraduates and 60 percent of private student loans to graduate students are cosigned, while 57 percent of all individuals who are cosigners are aged 55 and older.[4] Ubiquitous cosigning requirements are, in part, why consumers aged 60 and older are the fastest growing age-segment of the student loan market.[5] These older consumers already face the greatest health risk from the coronavirus;[6] their financial lives should not also be imperiled by this pandemic. Therefore, payment cessation for borrowers must come without penalties or credit consequences for cosigners. If a primary borrower pursues a modification or forbearance, the cosigner must not become immediately responsible for the remaining loan balance. Furthermore, any forbearance or modification on the loan should not jeopardize eligibility for cosigner release.

- **Halt collection efforts, including through the courts.** As the ripple effects of the coronavirus wash across borrowers, families, and communities, creditors and debt collectors have continued aggressively pursuing student loan borrowers in court. These practices can result in wage garnishments during a moment of nationwide financial vulnerability. These collection actions can also create a public health risk, with borrowers being forced to exit quarantines or mandated lockdowns to fight claims against creditors and debt collectors. By giving borrowers a chance to get on their feet through a cessation of collections lawsuits, companies can help ensure that student loan borrowers are protected from the worst consequences of the public health and economic disruptions on the horizon.

- **Expand opportunities for loan modifications.** It has long been noted that private student loans generally do not offer modifications in times of hardship, leaving borrowers with high ratios of debt to income and locking them into unaffordable terms precisely when they can least manage them.[7] Simply put, private student loan borrowers need affordable repayment options and loan modifications to help them manage the fallout of this crisis. These modifications should include flexible repayment options for borrowers who see a change in their income, as well as additional opportunities for interest-free

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loan deferments. Borrowers are suffering from layoffs, furloughs, and decreased hours as a result of the economic fallout from this pandemic. Income-driven repayment options, for example, could be a uniquely potent shock absorber for this new financial stress.

Private student loans are a substantial segment of the consumer credit market, standing nearly on a par with personal consumer loans and exceeding both payday loans and outstanding past-due medical debt.[8] If immediate action is not taken, the effects of the coronavirus pandemic could substantially imperil the financial lives of the millions of borrowers who relied on private student loans to pursue the American Dream. That does not have to happen. Instead, through the steps outlined above, you, your company, and the student loan industry as a whole can ensure that private student loan borrowers are given the tools to navigate this crisis.

Sincerely,

Seth Frotman
Executive Director
Student Borrower Protection Center

Alexis Goldstein
Senior Policy Analyst
Americans for Financial Reform

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Americans for Financial Reform Education Fund

STUDENT BORROWER PROTECTION CENTER

March 27, 2020

Joseph DePaulo
CEO
College Avenue Student Loans, LLC
233 N. King Street, Suite 400
Wilmington, DE 19801

Dear Mr. DePaulo,

On behalf of the millions of Americans who owe approximately $130 billion in outstanding private student debt, we are writing to urge you to take bold action to address the risk of consumer harm in the student loan market stemming from the global coronavirus pandemic.

The public health and economic effects of the outbreak of the coronavirus are already widespread, upending daily life for millions of Americans, causing untold job displacement, and inching the U.S. into its first recession in more than a decade. These public health and economic disruptions will continue to pose unique problems for private student loan borrowers, who lack the affordable repayment alternatives and other protections afforded to federal student loan borrowers.[1] The CFPB recently reported that 90 percent of complaints from private student loan borrowers concerned struggles to afford their payments or poor customer service from lenders and servicers.[2] Absent immediate action, private student loan borrowers will be forced to bear the brunt of the ongoing economic turmoil.

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Seth Frotman
Executive Director
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March 27, 2020

Roger Hochschild
President & CEO
Discover Financial Services
2500 Lake Cook Road
Riverwoods, IL 60015

Dear Mr. Hochschild,

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AFR EF Americans for Financial Reform Education Fund

SBPC STUDENT BORROWER PROTECTION CENTER

March 27, 2020

Vince Passione
CEO
LendKey
104 W. 27th Street
New York, NY 10001

Dear Mr. Passione,

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The public health and economic effects of the outbreak of the coronavirus are already widespread, upending daily life for millions of Americans, causing untold job displacement, and inching the U.S. into its first recession in more than a decade. These public health and economic disruptions will continue to pose unique problems for private student loan borrowers, who lack the affordable repayment alternatives and other protections afforded to federal student loan borrowers.[1] The CFPB recently reported that 90 percent of complaints from private student loan borrowers concerned struggles to afford their payments or poor customer service from lenders and servicers.[2] Absent immediate action, private student loan borrowers will be forced to bear the brunt of the ongoing economic turmoil.

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AFR EF Americans for Financial Reform Education Fund

sbpc STUDENT BORROWER PROTECTION CENTER

March 27, 2020

Raymond H. Bayer, Jr.
Executive Director & CEO
Higher Education Loan Authority of the State of Missouri
633 Spirit Drive
Chesterfield, MO 63005

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- **Ensure that a cessation of payments does not trigger cosigner requirements or penalties.** Available data indicate that as many as 93 percent of outstanding private student loans to undergraduates and 60 percent of private student loans to graduate students are cosigned, while 57 percent of all individuals who are cosigners are aged 55 and older.[4] Ubiquitous cosigning requirements are, in part, why consumers aged 60 and older are the fastest growing age-segment of the student loan market.[5] These older consumers already face the greatest health risk from the coronavirus;[6] their financial lives should not also be imperiled by this pandemic. Therefore, payment cessation for borrowers must come without penalties or credit consequences for cosigners. If a primary borrower pursues a modification or forbearance, the cosigner must not become immediately responsible for the remaining loan balance. Furthermore, any forbearance or modification on the loan should not jeopardize eligibility for cosigner release.

- **Halt collection efforts, including through the courts.** As the ripple effects of the coronavirus wash across borrowers, families, and communities, creditors and debt collectors have continued aggressively pursuing student loan borrowers in court. These practices can result in wage garnishments during a moment of nationwide financial vulnerability. These collection actions can also create a public health risk, with borrowers being forced to exit quarantines or mandated lockdowns to fight claims against creditors and debt collectors. By giving borrowers a chance to get on their feet through a cessation of collections lawsuits, companies can help ensure that student loan borrowers are protected from the worst consequences of the public health and economic disruptions on the horizon.

- **Expand opportunities for loan modifications.** It has long been noted that private student loans generally do not offer modifications in times of hardship, leaving borrowers with high ratios of debt to income and locking them into unaffordable terms precisely when they can least manage them.[7] Simply put, private student loan borrowers need affordable repayment options and loan modifications to help them manage the fallout of this crisis. These modifications should include flexible repayment options for borrowers who see a change in their income, as well as additional opportunities for interest-free

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Private student loans are a substantial segment of the consumer credit market, standing nearly on a par with personal consumer loans and exceeding both payday loans and outstanding past-due medical debt.[8] If immediate action is not taken, the effects of the coronavirus pandemic could substantially imperil the financial lives of the millions of borrowers who relied on private student loans to pursue the American Dream. That does not have to happen. Instead, through the steps outlined above, you, your company, and the student loan industry as a whole can ensure that private student loan borrowers are given the tools to navigate this crisis.

Sincerely,

Seth Frotman
Executive Director
Student Borrower Protection Center

Alexis Goldstein
Senior Policy Analyst
Americans for Financial Reform

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March 27, 2020

John F. Remondi
CEO
Navient Corporation
123 Justison Street
Wilmington, DE 19801

Dear Mr. Remondi,

On behalf of the millions of Americans who owe approximately $130 billion in outstanding private student debt, we are writing to urge you to take bold action to address the risk of consumer harm in the student loan market stemming from the global coronavirus pandemic.

The public health and economic effects of the outbreak of the coronavirus are already widespread, upending daily life for millions of Americans, causing untold job displacement, and inching the U.S. into its first recession in more than a decade. These public health and economic disruptions will continue to pose unique problems for private student loan borrowers, who lack the affordable repayment alternatives and other protections afforded to federal student loan borrowers.[1] The CFPB recently reported that 90 percent of complaints from private student loan borrowers concerned struggles to afford their payments or poor customer service from lenders and servicers.[2] Absent immediate action, private student loan borrowers will be forced to bear the brunt of the ongoing economic turmoil.

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Seth Frotman
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Alexis Goldstein
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March 27, 2020

James Steeley
CEO
Pennsylvania Higher Education Assistance Agency
1200 N 7th Street
Harrisburg, PA 17102

Dear Mr. Steeley,

On behalf of the millions of Americans who owe approximately $130 billion in outstanding private student debt, we are writing to urge you to take bold action to address the risk of consumer harm in the student loan market stemming from the global coronavirus pandemic.

The public health and economic effects of the outbreak of the coronavirus are already widespread, upending daily life for millions of Americans, causing untold job displacement, and inching the U.S. into its first recession in more than a decade. These public health and economic disruptions will continue to pose unique problems for private student loan borrowers, who lack the affordable repayment alternatives and other protections afforded to federal student loan borrowers.[1] The CFPB recently reported that 90 percent of complaints from private student loan borrowers concerned struggles to afford their payments or poor customer service from lenders and servicers.[2] Absent immediate action, private student loan borrowers will be forced to bear the brunt of the ongoing economic turmoil.

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Seth Frotman
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Student Borrower Protection Center

Alexis Goldstein
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March 27, 2020

William Demchak
CEO
The PNC Financial Services Group, Inc.
300 Fifth Avenue
Pittsburgh, PA 15222

Dear Mr. Demchak,

On behalf of the millions of Americans who owe approximately $130 billion in outstanding private student debt, we are writing to urge you to take bold action to address the risk of consumer harm in the student loan market stemming from the global coronavirus pandemic.

The public health and economic effects of the outbreak of the coronavirus are already widespread, upending daily life for millions of Americans, causing untold job displacement, and inching the U.S. into its first recession in more than a decade. These public health and economic disruptions will continue to pose unique problems for private student loan borrowers, who lack the affordable repayment alternatives and other protections afforded to federal student loan borrowers.[1] The CFPB recently reported that 90 percent of complaints from private student loan borrowers concerned struggles to afford their payments or poor customer service from lenders and servicers.[2] Absent immediate action, private student loan borrowers will be forced to bear the brunt of the ongoing economic turmoil.

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AFR EF Americans for Financial Reform Education Fund

sbpc STUDENT BORROWER PROTECTION CENTER

March 27, 2020

Raymond Quinlan
Chairman & CEO
SLM Corporation
300 Continental Drive
Newark, Delaware 19713

Dear Mr. Quinlan,

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- **Ensure that a cessation of payments does not trigger cosigner requirements or penalties.** Available data indicate that as many as 93 percent of outstanding private student loans to undergraduates and 60 percent of private student loans to graduate students are cosigned, while 57 percent of all individuals who are cosigners are aged 55 and older.[4] Ubiquitous cosigning requirements are, in part, why consumers aged 60 and older are the fastest growing age-segment of the student loan market.[5] These older consumers already face the greatest health risk from the coronavirus;[6] their financial lives should not also be imperiled by this pandemic. Therefore, payment cessation for borrowers must come without penalties or credit consequences for cosigners. If a primary borrower pursues a modification or forbearance, the cosigner must not become immediately responsible for the remaining loan balance. Furthermore, any forbearance or modification on the loan should not jeopardize eligibility for cosigner release.

- **Halt collection efforts, including through the courts.** As the ripple effects of the coronavirus wash across borrowers, families, and communities, creditors and debt collectors have continued aggressively pursuing student loan borrowers in court. These practices can result in wage garnishments during a moment of nationwide financial vulnerability. These collection actions can also create a public health risk, with borrowers being forced to exit quarantines or mandated lockdowns to fight claims against creditors and debt collectors. By giving borrowers a chance to get on their feet through a cessation of collections lawsuits, companies can help ensure that student loan borrowers are protected from the worst consequences of the public health and economic disruptions on the horizon.

- **Expand opportunities for loan modifications.** It has long been noted that private student loans generally do not offer modifications in times of hardship, leaving borrowers with high ratios of debt to income and locking them into unaffordable terms precisely when they can least manage them.[7] Simply put, private student loan borrowers need affordable repayment options and loan modifications to help them manage the fallout of this crisis. These modifications should include flexible repayment options for borrowers who see a change in their income, as well as additional opportunities for interest-free

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Private student loans are a substantial segment of the consumer credit market, standing nearly on a par with personal consumer loans and exceeding both payday loans and outstanding past-due medical debt.[8] If immediate action is not taken, the effects of the coronavirus pandemic could substantially imperil the financial lives of the millions of borrowers who relied on private student loans to pursue the American Dream. That does not have to happen. Instead, through the steps outlined above, you, your company, and the student loan industry as a whole can ensure that private student loan borrowers are given the tools to navigate this crisis.

Sincerely,

Seth Frotman
Executive Director
Student Borrower Protection Center

Alexis Goldstein
Senior Policy Analyst
Americans for Financial Reform

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March 27, 2020

Anthony Noto
CEO
Social Finance, Inc.
234 1st Street
San Francisco, CA 94105

Dear Mr. Noto,

On behalf of the millions of Americans who owe approximately $130 billion in outstanding private student debt, we are writing to urge you to take bold action to address the risk of consumer harm in the student loan market stemming from the global coronavirus pandemic.

The public health and economic effects of the outbreak of the coronavirus are already widespread, upending daily life for millions of Americans, causing untold job displacement, and inching the U.S. into its first recession in more than a decade. These public health and economic disruptions will continue to pose unique problems for private student loan borrowers, who lack the affordable repayment alternatives and other protections afforded to federal student loan borrowers.[1] The CFPB recently reported that 90 percent of complaints from private student loan borrowers concerned struggles to afford their payments or poor customer service from lenders and servicers.[2] Absent immediate action, private student loan borrowers will be forced to bear the brunt of the ongoing economic turmoil.

To ensure that student loan borrowers remain protected from the fallout of the coronavirus pandemic, we urge you to immediately take the following steps:

- **Allow borrowers to cease payments without fees or penalties.** Private student loan borrowers are often denied deferments, forbearance, or periods of reduced loan payments during times of financial hardship.[3] When these benefits are available, borrowers may be required to pay a fee to utilize them. Therefore, a borrower whose work hours have been suddenly cut, who faces unforeseen costs of child care, or who now has to care for an ailing family member could either lack a path to relief or be charged a fee to access relief precisely when they are least able to shoulder that burden. In the face of the coronavirus pandemic, it is absolutely necessary that these borrowers

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Americans for Financial Reform Education Fund

STUDENT BORROWER PROTECTION CENTER

March 27, 2020

William H. Rogers, Jr.
President & CEO
Truist Financial Corporation
214 North Tryon Street
Charlotte, NC 28202

Dear Mr. Rogers,

On behalf of the millions of Americans who owe approximately $130 billion in outstanding private student debt, we are writing to urge you to take bold action to address the risk of consumer harm in the student loan market stemming from the global coronavirus pandemic.

The public health and economic effects of the outbreak of the coronavirus are already widespread, upending daily life for millions of Americans, causing untold job displacement, and inching the U.S. into its first recession in more than a decade. These public health and economic disruptions will continue to pose unique problems for private student loan borrowers, who lack the affordable repayment alternatives and other protections afforded to federal student loan borrowers.[1] The CFPB recently reported that 90 percent of complaints from private student loan borrowers concerned struggles to afford their payments or poor customer service from lenders and servicers.[2] Absent immediate action, private student loan borrowers will be forced to bear the brunt of the ongoing economic turmoil.

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March 27, 2020

Charles Scharf
President & CEO
Wells Fargo & Co.
420 Montgomery Street
San Francisco, CA 94104

Dear Mr. Scharf,

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